



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-745]

CERTAIN WIRELESS COMMUNICATION DEVICES, PORTABLE MUSIC AND DATA PROCESSING DEVICES, COMPUTERS AND COMPONENTS THEREOF; NOTICE OF COMMISSION DECISION FINDING NO VIOLATION OF SECTION 337 AS TO THREE PATENTS AND REMANDING THE INVESTIGATION TO THE ALJ AS TO ONE PATENT

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has found no violation of 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in the above-captioned investigation with respect to U.S. Patent Nos. 6,272,333 (“the ’333 patent”); 6,246,697 (“the ’697 patent”); and 5,636,223 (“the ’223 patent”). The investigation is remanded to the presiding administrative law judge (“ALJ”) with respect to U.S. Patent No. 6,246,862 (“the ’862 patent”).

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2301. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission’s TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on November 8, 2010, based on a complaint filed by Motorola Mobility, Inc. of Libertyville, Illinois (“Motorola”). 75 *Fed. Reg.* 68619-20 (Nov. 8, 2010). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 (“section 337”), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain wireless communication devices, portable music and data processing devices, computers and components thereof by reason of infringement of certain claims of the ‘333 patent, the ‘862 patent, the ‘697 patent, U.S. Patent No. 5,359,317 (“the ‘317 patent”), the ‘223 patent, and U.S. Patent No. 7,751,826 (“the ‘826 patent”). The complaint further alleges the existence of a domestic industry. The Commission’s notice of investigation named Apple Inc. of Cupertino, California (“Apple”) as respondent. The Office of Unfair Import Investigation (“OUII”) was named as a participating party, however, on July 29, 2011, OUII withdrew from further participation in the investigation. *See* Commission Investigative Staff’s Notice of Nonparticipation (July 29, 2011). The Commission later partially terminated the investigation as to the ‘317 patent and the ‘826 patent. Notice (June 28, 2011); Notice (Jan 27, 2012).

On April 24, 2012, the ALJ issued his final ID, finding a violation of section 337 as to the ‘697 patent and finding no violation as to the ‘223, ‘333, and ‘697 patents. On May 9, 2012, the ALJ issued his recommended determination on remedy and bonding. In his final ID, the ALJ found that the products accused of infringing the ‘697 patent literally infringe claims 1-4 of that patent, and that Apple induces others to infringe the asserted claims of the ‘697 patent. The ALJ also found that the asserted claims of the ‘697 patent are not invalid as anticipated under 35 U.S.C. § 102, as obvious under 35 U.S.C. § 103, or for failure to satisfy the written description

requirement or the best mode requirement of 35 U.S.C. § 112. The ALJ also found that the '697 patent is not unenforceable for unclean hands. The ALJ further found that Motorola has satisfied the domestic industry requirement for the '697 patent. The ALJ found that the products accused of infringing the '223 patent literally infringe the asserted claim of that patent and that Apple induces others to infringe the claim 1 of the '223 patent. The ALJ further found, however, that the asserted claim of the '223 patent is invalid as anticipated under 35 U.S.C. § 102. The ALJ also found that Motorola has satisfied the domestic industry requirement for the '223 patent. The ALJ found that the products accused of infringing the '333 patent do not literally infringe claim 12 of that patent. The ALJ also found that the asserted claim of the '333 patent is not invalid as anticipated under 35 U.S.C. § 102 or for obviousness under 35 U.S.C. § 103. The ALJ further found that Motorola has not satisfied the domestic industry requirement for the '333 patent. The ALJ found that claim 1 of the '862 patent is invalid as indefinite under 35 U.S.C. § 112, ¶ 2 and, therefore, that the products accused of infringing the '862 patent do not literally infringe the asserted claim of that patent and that Motorola has not satisfied the domestic industry requirement for the '862 patent.

On May 7, 2012, Motorola filed a joint petition for review and contingent petition for review of certain aspects of the final ID's findings concerning claim construction, infringement, validity, and domestic industry. Also on May 7, 2012, Apple filed a joint petition for review and contingent petition for review of certain aspects of the final ID's findings concerning claim construction, infringement, validity, and patent unenforceability. On May 15, 2012, Motorola filed a response to Apple's petition. Also on May 15, 2012, Apple filed a response to Motorola's petition.

On June 6, 2012, Apple filed a post-RD statement on the public interest pursuant to

Commission Rule 201.50(a)(4). Also on June 6, 2012, several non-parties filed public interest statements in response to the post-RD Commission Notice issued on May 15, 2012. *See 77 Fed. Reg.* 28621-22 (May 15, 2012). The non-parties include: Federal Trade Commission; Business Software Alliance; Association for Competitive Technology; Retail Industry Leaders Association; Verizon; Nokia Corporation; Hewlett-Packard Company; and Microsoft Corporation.

On June 25, 2012, the Commission determined to review the final ID in part and requested briefing on the issues it determined to review, remedy, the public interest, and bonding. *77 Fed. Reg.* 38826-29 (June 29, 2012). Specifically, with respect to the '223 patent the Commission determined to review the ID's construction of the limitation "access priority value" in claim 1. The Commission also determined to review the ID with respect to the validity of claim 1 of the '223 patent under 35 U.S.C. § 102 in light of U.S. Patent No. 5,453,987 to Tran ("Tran '987) and U.S. Patent No. 5,657,317 to Mahany et al ("Mahany '317") and under 35 U.S.C. § 103 in light of Tran '987 in combination with Mahany '317. The Commission further determined to review the ID's finding that the 802.11n standard necessarily practices claim 1 of the '223 patent, and thus, the ID's findings concerning infringement and the technical prong of the domestic industry requirement with respect to the '223 patent.

With respect to the '697 patent, the Commission determined to review the ID's construction of the limitation "selecting a chip time in a complex PN [pseudonoise] sequence generator" in claim 1. The Commission also determined to review the ID's construction of the limitation "restricting a phase difference between a previous complex PN chip and a next complex PN chip to a preselected phase angle." The Commission further determined to review the ID's findings with respect to the validity of claims 1-4 of the '697 patent under 35 U.S.C. §

102 in light of prior art $\pi/2$ -shift BPSK modulation and under 35 U.S.C. § 103 in light of the combination of prior art QPSK and $\pi/2$ -shift BPSK modulation schemes. The Commission also determined to review the ID's finding of direct and induced infringement with respect to the '697 patent. The Commission further determined to review the ID's finding that Motorola has satisfied the technical prong of the domestic industry requirement for the '697 patent.

With respect to the '862 patent, the Commission determined to review the ID's construction of the limitation "close proximity to a user" in claim 1 and his finding that claim 1 is indefinite.

With respect to the '333 patent, the Commission determined to review the ID's construction of the limitation "a list of all software applications that are currently accessible to the subscriber unit" in claim 12. The Commission further determined to review the ALJ's finding that claim 12 is not invalid under 35 U.S.C. § 102 in light of U.S. Patent Nos. 5,502,831 to Grube et al. ("Grube '831"), 6,008,737 to DeLuca et al. ("DeLuca '797"), or 5,612,682 to DeLuca et al. ("DeLuca '682"), or under 35 U.S.C. § 103 in view of Grube '831 combined with DeLuca '682. The Commission also determined to review the ALJ's finding of non-infringement of claim 12. The Commission further determined to review the ID's finding that Motorola's domestic industry product does not practice claim 12 of the '333 patent.

With respect to whether Motorola has satisfied the economic prong of the domestic industry requirement, the Commission determined to review the ID's finding that Motorola has not satisfied the economic prong as to the '333 patent under section 337(a)(3)(C) by its investments in licensing. The Commission also determined to review in part the ID's finding that Motorola has satisfied the economic prong with respect to the '223 and '697 patents under

section 337(a)(3)(A) and (B). The Commission determined not to review the remaining issues decided in the ID.

On July 9, 2012, the Motorola and Apple filed initial written submissions regarding the issues on review, remedy, the public interest, and bonding. On July 16, 2012, the parties filed response submissions. Also on July 9, 2012, several non-parties filed submissions concerning the public interest. On July 16, 2012, several non-parties filed response submissions.

Having examined the record of this investigation, including the ALJ's final ID and the parties' submissions, the Commission has determined to affirm the final ID's finding of no violation as to the '223 and '333 patents and to reverse the finding of violation as to the '697 patent. The Commission has also determined remand the investigation to the ALJ with respect to the '862 patent.

Specifically, the Commission has determined to affirm the ID's finding of no violation with respect to the '223 patent with modifications. In particular, the Commission has determined to modify the ID's claim construction of the claim limitation "access priority value" in claim 1 to mean "a value based on information available to the terminal, or based on information available to the terminal and information received from the infrastructure, used to determine relative priority among multiple terminals for access to a data communications system." The Commission has determined to affirm the ID's finding that claim 1 of the '223 patent is anticipated by Mahany '317 and Tran '987. The Commission also finds that claim 1 of the '223 patent is obvious in light of Tran '987 in combination with Mahany '317. The Commission has determined to reverse the ID's finding that products compliant with the 802.11n standard necessarily practice claim 1 of the '223 patent. The Commission, therefore, finds that the

accused products do not infringe claim 1 of the '233 patent and that Motorola has not satisfied the technical prong of the domestic industry requirement with respect to the '223 patent.

With respect to the '697 patent, the Commission has determined to reverse the ID's finding of violation of section 337. In particular, the Commission has determined to affirm, with modified reasoning, the ID's construction of the limitation "selecting every chip time" of claim 1 of the '697 patent. The Commission also finds that the limitation "restricting a phase difference between a previous complex PN chip and a next complex PN chip to a preselected phase angle" in claim 1 means "at the selected chip time, the next complex PN chip is limited to a predetermined phase transition," with the understanding that the phrase "preselected phase angle" requires a single unique angle with a predetermined direction and magnitude at a particular "selected chip time," but that the phase transition need not be the same at every chip time. The Commission further finds that claim 1 is limited to $\pi/2$ BPSK modulation "at selected chip times," and thus, that the claimed "phase difference" must be $\pm 90^\circ$ "at selected chip times." The Commission affirms the ID's finding that claims 1-4 of the '697 patent are not anticipated by prior art $\pi/2$ -shift BPSK modulation. The Commission also affirms the ID's finding that claims 1-4 are not obviousness in light of the combination of prior art QPSK and $\pi/2$ -shift BPSK modulation schemes. The Commission reverses the ID's finding that generation of the complex-valued long scrambling sequence, $C_{\text{long},n}$ used to scramble PRACH messages in the scheme defined by the 3GPP-UMTS standard necessarily practices the method claims 1-4 of the '697 patent, and thus, finds no direct or induced infringement with respect to the '697 patent. The Commission further reverses the ID's finding that Motorola has satisfied the technical prong of the domestic industry requirement for the '697 patent, and finds that Motorola has not satisfied this requirement.

With respect to the '862 patent, the Commission has determined to reverse the ID's finding that claim 1 is indefinite. The Commission remands the investigation to the ALJ to consider the issues of infringement, validity, and the domestic industry requirement for the '862 patent.

With respect to the '333 patent, the Commission has determined to affirm the ID's finding of no violation of section 337 with modifications. In particular, the Commission finds that the limitation "a list of all software applications that are currently accessible to the subscriber unit" of claim 12 means "a list of all software applications that are available and enabled for present use by the subscriber." The Commission affirms the ID's finding that claim 12 of the '333 patent is not anticipated by Grube '831, DeLuca '737 or DeLuca '682, and is not rendered obvious by Grube '831 in view of DeLuca '682. The Commission also affirms, with modified reasoning, the ALJ's finding of non-infringement of claim 12 of the '333 patent. The Commission further affirms, with modified reasoning, the ID's finding that Motorola's domestic industry product does not practice claim 12 of the '333 patent.

With respect to whether Motorola has satisfied the economic prong of the domestic industry requirement, the Commission has determined to affirm-in-part the ID's finding that Motorola has satisfied the economic prong of the domestic industry requirement under section 337(a)(3)(A) and (B) by making substantial investments in its CliqXT and Droid 2 products, and further finds that these investments satisfy the economic prong requirement as to the '223, '697, and '333 patents. In addition to its investments in seedstock for its CliqXT and Droid 2 products, the Commission also finds that Motorola's expenditures relating to the creation of prototypes for its CliqXT and Droid 2 products and its costs associated with post-assembly loading of vendor-specific software and testing of those products are sufficient to support a finding that Motorola

has satisfied the economic prong under section 337(a)(3)(A) and (B). The Commission vacates and takes no further position on the ID's finding that Motorola has not satisfied the economic prong as to the '333 patent under section 337(a)(3)(C) for its investments in licensing.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42-.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. § 210.42-.50).

By order of the Commission.

Lisa R. Barton
Acting Secretary to the Commission

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